

PRTC OFFICIAL COMMISSION MEETING
Thursday, June 3, 2010
SPRINGFIELD HILTON – SPRINGFIELD, VIRGINIA

MINUTES

The meeting of the Potomac and Rappahannock Transportation Commission (PRTC) was called to order by Chairman May at 9:30 p.m., with a quorum present.

PRTC Members Present

*Matthew Kelly	City of Fredericksburg
*Jerry Logan, Secretary	Spotsylvania County
*Michael May, Chairman	Prince William County
*Jackson Miller	Virginia House of Delegates
*Frank Principi	Prince William County
*Susan Stimpson	Stafford County
*Jonathan Way, Vice Chairman	City of Manassas

PRTC Alternates Present

Jean Benson	City of Fredericksburg
*Ateeb Ahmad	Prince William County
*Lorraine Lasch	Prince William County
*Benjamin Pitts	Spotsylvania County
*William Wren	City of Manassas Park

PRTC Staff and General Public

Gina Altis	PRTC Executive Assistant
Monica Backmon	PWC Department of Transportation
Doris Chism	PRTC Dir., Customer Service & Dispatch
Art Clark	FIRST TRANSIT Safety & Training Manager
Joyce Embrey	PRTC Dir., Finance & Administration
Althea Evans	PRTC Dir., Marketing & Communications
Shanta Garth	FIRST TRANSIT AGM-Accounting & Admin.
Al Harf	PRTC Executive Director
Angela Horan	PRTC Legal Counsel
Robb Howell	FIRST TRANSIT General Manager
Betsy Massie	PRTC Dir., Grant & Project Management
Eric Marx	PRTC Dir., Planning & Operations
Bob Liebbrandt	PWC Budget & Analysis

PRTC Members Absent

Richard Anderson	Virginia House of Delegates
Maureen Caddigan	Prince William County
Wally Covington	Prince William County
Corey Hill	Department of Rail & Public Transportation
John Jenkins	Prince William County
Frank Jones, Immediate Past Chairman	City of Manassas Park
Paul Milde, Treasurer	Stafford County
Marty Nohe	Prince William County
Toddy Puller	Virginia Senate
Gary Skinner	Spotsylvania County

PRTC Alternates Absent

David Awbrey	Department of Rail & Public Transportation
Hilda Barg	Prince William County
Hap Connors	Spotsylvania County
Harry Crisp	Stafford County
Brad Ellis	City of Fredericksburg
Darrel Feasel	Department of Rail & Public Transportation
Mark Dudenhefer	Stafford County
Peter LaMarca	City of Fredericksburg
Hal Parrish	City of Manassas
Suhas Naddoni	City of Manassas Park
Sorine Preli	Prince William County
Corey Stewart	Prince William County
John Stirrup	Prince William County

***Voting Member**

1. Minutes of May 6, 2010. Commissioner Kelly moved, with a second by Commissioner Pitts, to approve the Minutes as presented. There was no discussion on the motion. (KELLY\PITTS, UNANIMOUS) RES 10-06-05
2. Agenda of June 3, 2010. Commissioner Kelly moved, with a second by Commissioner Principi, to approve the Agenda as amended. There was no discussion on the motion. (KELLY\PRINCIPI, UNANIMOUS) RES 10-06-06
3. Consent Agenda of June 3, 2010. Commissioner Kelly moved, with a second by Commissioner Way, to approve the Consent Agenda as presented. (KELLY\WAY, UNANIMOUS) RES 10-06-07
 - A. Accepted the Treasurer's Report for Period Ended March 31, 2010, as presented. (KELLY\WAY, UNANIMOUS) RES 06-10-08

- B. Approved to Budget and Appropriate the City of Manassas Request for \$61,133 in Motor Fuels Tax Funds for the Lease of Parking Lots for FY 2011, as presented. (KELLY\WAY, UNANIMOUS) RES 06-10-09
- C. Approved to Budget and Appropriate the City of Manassas Request for \$225,190 in Motor Fuels Tax Funds for VRE Parking Garage Debt Service for FY 2011, as presented. (KELLY\WAY, UNANIMOUS) RES 06-10-10
- D. Approved Prince William County's FY 2011 Debt Service on the PRTC Lease Revenue Refunding Bonds, as presented. (KELLY\WAY, UNANIMOUS) RES 06-10-11
- E. Approved Prince William County's FY 2011 Debt Service on the County's Refunded Industrial Development Authority (IDA), as presented. (KELLY\WAY, UNANIMOUS) RES 06-10-12
- F. Approved to authorize draw-downs from each of the PRTC member governments' 2% motor fuels tax accounts to subsidize the FY 2011 VRE operating and capital budget and to release and unencumber any untapped Prince William County and City of Fredericksburg FY 2011 VRE subsidies to their respective fuel tax accounts, as presented. (KELLY\WAY, UNANIMOUS) RES 06-10-13

4. Chairman's Time

- A. Chairman May recognized Commissioner Matthew Kelly and Alternate Jean Benson for their service to the Commission and presented both Mr. Kelly and Ms. Benson with a token of appreciation on behalf of the Commission.
- B. July Board Meeting. Chairman May reminded everyone the July 1st meeting has been rescheduled to occur on Thursday, July 8, 2010, at 7:00 p.m. The PRTC Executive Committee will also meet on July 8th at 6:00 p.m. regarding the PRTC FY 2010 audit.
- C. August Recess. Commissioner Stimpson moved, with a second by Commissioner Kelly, to approve a recess during the month of August. (STIMPSON\KELLY, UNANIMOUS) RES 06-10-14

Chairman May announced that he is in receipt of a "letter of commendation" from a constituent commending PRTC Customer Service Agent Ebony Jones. On behalf of the Commission, Chairman May expressed appreciation to Ms. Jones for a job well done.

5. Executive Director's Time

- A. Executive Director's Report:

Mr. Harf reported the draft “six-year transportation plan” was released on May 20th and is available for public review. The report is a mix of good news and bad news – the good news is that all of the capital requests PRTC made are funded placing PRTC in a “net” favorable position on the capital side for about half a million dollars. On the operating assistance side PRTC is in an unfavorable position for about \$74,000.

Mr. Harf went on to report that a “legislative tour” is scheduled for June 30th and July 1st to acquaint Members of the General Assembly with Northern Virginia’s transportation challenges. He went on to report that Delegate May has scheduled a “Transportation Committee” meeting to occur during the legislative tour as a way of enticing greater legislative participation. A “welcoming reception” is scheduled on June 30th in Vienna. On July 1st, the legislative tour will spend time in eastern Prince William County, visit the Horner Road Park and Ride lot, and tour the PRTC Transit Center. PRTC will also host a “lunch” on July 1st. Commissioners are invited to participate.

First Transit General Manager’s Report:

First Transit General Manager Robb Howell noted the Operator-of-the-Month will be recognized at the Commission’s July 8th meeting.

Mr. Howell reported 12 commendations (for 11 different operators) were received during the month of May. He went on to report the accident frequency rate for the month of May is .5 per 100,000 miles compared to .73 for the prior month. He also noted that the complaint rate is 5.72 compared to 11.5 for the same period last year and the year-to-date rate is below the previous year’s rate.

Mr. Howell went on to report that a service change occurred on Monday, May 10th. A slight increase in complaints occurred, but the complaint rate remained lower than the previous three months. Overall, a successful service change.

Mr. Howell reported that the “fleet maintenance audit” is complete, and the final results are presented elsewhere in the board package. He also noted that the next “Customer Satisfaction Survey” will commence next week.

Mr. Harf noted that he is in receipt of a communication from DRPT Director Thelma Drake regarding “Transportation Government Reform Ideas” and Director Drake has invited reactions, which are due by June 30th. He explained that Recommendation #127 calls for an examination of consolidating NVTa, NVTC, and PRTC. Vice Chairman Way recommended the PRTC Executive Committee discuss the issue. Hearing no objections, Chairman May clarified that discussion on the issue will take place amongst the Executive Committee and other Commissioners and any PRTC response will be distributed to the Commission.

B. Action Items

1. Approval of FY 2011 PRTC Budget, Authorization to Draw Down Motor Fuel Tax Funds for FY 2011 PRTC Subsidies, and Authorization to Apply for Federal Grant Funding. Commissioner Kelly moved, with a second by Commissioner Logan, to adopt the PRTC budget and applications for federal funds as envisioned by the budget. There was no discussion on the motion. (KELLY\LOGAN, UNANIMOUS) RES 10-06-15
2. Application for an FTA State-of-Good Repair Discretionary Grant. Commissioner Pitts moved, with a second by Commissioner Kelly, to authorize the PRTC Executive Director to apply for FY 2010 discretionary "bus and bus facility program funds" to partially fund PRTC's OmniRide bus mid-life overhaul program contingent on future year matched FFGM funds so the FFGM funds can be used instead for timelier replacement of bus purchases. There was no discussion on the motion. (PITTS\KELLY, UNANIMOUS) RES 10-06-16
3. VRS Contribution for Plan Two Employees. Commissioner Kelly moved, with a second by Commissioner Principi, to pick-up the employee contribution to VRS under §414(h) of the Internal Revenue Code for Plan 2 Employees and such contributions will be made by PRTC in lieu of member contributions and nothing herein shall be construed so as to permit or extend an option VRS members to receive the picked-up contributions made by PRTC directly instead of having them paid to VRS. There was no discussion on the motion. (KELLY\PRINCIPI, UNANIMOUS) RES 10-06-17
4. Health Insurance Renewal. Commissioner Principi moved, with a second by Commissioner Kelly, to authorize the Executive Director to renew contracts with Aetna, Kaiser Permanente, and the Delta Dental Plan of Virginia for group medical and dental insurance for PRTC/VRE employees with coverage effective July 1, 2011, and approved management's premium cost sharing proposal whereby employees will bear the same costs for Kaiser Permanente and Aetna as they did in FY 2010 for the various plan offerings and further approves management's proposal whereby employees with Aetna will bear the same costs for Delta Dental as they did in FY 2010 and those with Kaiser or who take Delta Dental only will have 100% employer-sponsored Delta Dental coverage in an effort to lessen employer costs for health insurance coverage.

Commissioner Principi asked what the premium increase is. Mr. Harf replied 4.5% and 2% for Aetna and Kaiser, respectively.

With regard to Item 5-B.3 and Item 5-B.4, Vice Chairman Way expressed the view that they are tantamount to salary increases for PRTC, and observed that he has misgivings in view of the fact that jurisdictional staff are having to make due without. Mr. Harf replied that Item 5-B.3 pertains to only new hires after July 1, 2010, who are a different class of employees as a result of a change in the state law legislated during the last General Assembly session. The law creates two classes of employees: 1) people already in the employ of public agencies prior to July 1st and 2) new hires thereafter. The law allows public entities who hire people after July 1st to either pick up the full cost of the employee share (which is the practice of the existing work force) or at the employer's discretion, requires the employee to pick up some portion of the expense. Item 5-B.3 would treat both classes of employees the same way in terms of employer-borne VRS costs.

There was no further discussion on the motion. (PRINCIPIKELLY, UNANIMOUS) RES 10-06-18

5. Fuel Tax Assessment of the Transition to a Distribution-Based Tax.

Mr. Harf explained that PRTC has concerns regarding the motor fuels sales tax levied on fuel sales in PRTC's member jurisdictions since the conversion of the tax from a 2.0% retailer-based tax to a 2.1% distributor-based tax effective January 1, 2010. PRTC is reliant on the Virginia Department of Taxation for the proper collection and posting of the tax to PRTC's member jurisdictions so that each member jurisdiction receives the tax it is rightfully due. He observed that the first concern is that, in the aggregate, it appears that a 2.1% tax on distributors is not revenue neutral compared to a 2.0% tax on the retailers, which was the premise of the General Assembly's legislative change. He then went on to describe the two other concerns, namely: indications that postings by jurisdictions appear to be somewhat in error and Taxation's slowness in issuing new guidance to account for the General Assembly's Code changes (at PRTC's instigation) to eliminate certain exemptions. The Commission is being asked this evening to authorize the transmittal of a letter to the Virginia Tax Commissioner highlighting these concerns and seeking a corrective action plan for those things Taxation is accountable for.

Commissioner Principi asked if steps are being taken with regard to distributors with tax obligations who are not paying. Mr. Harf explained that this is part of what PRTC is seeking in a corrective action plan, and observed that one plausible avenue is to compare the distributors who are paying with a list of distributors assembled from a survey of retailers done before the conversion occurred to ascertain who the retailers' distributors were. The letter to the Tax Commissioner makes this suggestion, among others.

Vice Chairman Way expressed a concern that the situation at present is very conjectural, so he made a motion to “table” the issue for three months to allow management more time for additional fact-finding. Commissioner Miller seconded.

Commissioner Kelly observed there are legitimate concerns and recommended sending the letter to the Taxation Commissioner sooner rather than later. Commissioner Logan agreed and explained that the presence of zip codes common to neighboring jurisdictions has been a long standing dilemma Spotsylvania County has encountered with the Department of Taxation. He explained that tax revenues have been paid to the City of Fredericksburg when in fact they should have been paid to Spotsylvania County. Senator Houck has also made numerous attempts to work with the Department of Taxation to determine where retailers are physically located.

Commissioner Jackson made a substitute motion to “table” the item until the July 8, 2010, PRTC Board Meeting to afford management more time for additional fact finding and redrafting of the letter to the Virginia Tax Commissioner in light of the additionally acquired information. Vice Chairman Way seconded. There was no further discussion on the motion. (JACKSON\WAY, UNANIMOUS) RES 10-06-19

6. Budget and Appropriation from Spotsylvania County’s Motor Fuels Tax Funds As Much As \$2,537,434 for Anticipated County Expenditures in FY 2011.

Mr. Harf explained it has been understood throughout the course of membership negotiations with Spotsylvania County that the County intended to use motor fuels tax revenue for qualifying long-standing transportation purposes early on, and noted that the resultant membership agreement provides for the deferral of the County’s VRE/PRTC payment obligations until early FY 2013.

Commissioner Pitts asked Mr. Harf for a further clarification of the issue. Mr. Harf explained that while the fuel tax projection is such that there would be adequate tax revenue to cover the expenses the County proposes to fund from this source plus the deferred PRTC/VRE payment obligations, if the fuel tax revenue projections do not materialize, it is conceivable that Spotsylvania County would be in a position of having to tap another source of funds to make the PRTC/VRE payment obligation in FY 2013 in whole or in part. Commissioner Logan noted that the Spotsylvania Board of County Supervisors has discussed the issue thoroughly and before the funds are expended on any projects, it is his understanding from the County Administrator that Spotsylvania County guarantees that the payment obligation will be fulfilled in FY 2013.

Commissioner Pitts moved, with a second by Commissioner Logan, to authorize as much as \$2,537,434 of motor fuels tax funding in Spotsylvania County's account for anticipated transportation expenditures in FY 2011 based on amounts periodically sought by the Spotsylvania County Administrator. There was no further discussion on the motion. (PITTS\LOGAN, UNANIMOUS) RES 10-06-20

7. Contract Award to CBS Outdoor for Exterior Advertising on PRTC's Bus Fleet.

Commissioner Kelly moved, with a second by Commissioner Pitts, to authorize the Executive Director to award a contract to CBS Outdoor for exterior advertising on PRTC's bus fleet and exercise the options without further Commission approval. There was no discussion on the motion. (KELLY\PITTS, UNANIMOUS) RES 10-06-21

8. TPB-PRTC MOU (TIGER Grant).

Commissioner Kelly moved, with a second by Commissioner Pitts, to authorize the Executive Director to execute all grant-related agreements to obtain the USDOT's TIGER grant award for \$10 million through the TPB, subject to PRTC Legal Counsel's review of the agreement and affirmation that it is acceptable as to form. There was no discussion on the motion. (KELLY\PITTS UNANIMOUS) RES 10-06-22

C. Information Items:

1. April 2010 Fleet Maintenance Audit. There were no comments.
2. PRTC Service Reports. There were no comments.
3. PRTC Budget-to-Actual Comparison – Ten Months Ended April 30, 2010. There were no comments.
4. Communications:
 - a. Related to Funding. There were no comments.
 - b. Related to Jurisdiction. There were no comments.
 - c. General Interest. There were no comments.

6. Other Business/Commissioners' Time

There was no other business to come before the Commission.

7. Adjournment

There being no further business to come before the Commission at this time, Chairman May declared the meeting officially adjourned at 10:30 p.m.

NEXT MEETING: Thursday, July 8, 2010, 7:00 p.m.

LOCATION: PRTC Transit Center
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